

Advice to Managers

Payroll / Personnel System

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I. Introduction

Campus Business Officers, Managers:

Advice to Managers has been developed to guide you through some of the decisions your organization faces in a distributed Online Payroll/ Personnel System (OLPPS) update process.

This document contains general information about Accountability Principles and the OLPPS. More specific information is contained in the printed Payroll Users Guide, in training classes, and on the Controller's Office web page. We have included some specific system information to enable you to communicate with the staff members in your organization who are responsible for the payroll/ personnel process.

One of the key concepts presented here is **accountability**, which is a critical factor in effective payroll/ personnel management. A list of accountability criteria is listed in section IV of this guide. The staff members you select as payroll/ personnel preparers and reviewers must be knowledgeable and skilled.

The online update system presents both opportunities (more controlled, timely and accurate work) and challenges for a more productive work environment to staff members. In addition to positive benefits, this guide presents challenges: unfamiliar tools to master for new employees, changes in the way work is done, and workflow considerations.

II. System Development Principles

Objectives

The Payroll/ Personnel System began in 1987 with several principle objectives to :

- Protect the integrity of the payroll/ personnel system for the University by the use of a standardized core system to be supported by the current technical environment.
- Minimize administrative burden by providing a system that is structured to accommodate functional changes quickly for both urgent and ongoing functional needs in a diverse, heterogeneous university setting; and by providing a system that improves data quality and reduces the administrative burden associated with error corrections.
- Impact employee relations in a positive way by providing the means of improving data quality and timeliness; by accessing data quickly for the resolution of problems; and by a system structured to accommodate changes in personnel policies or labor contracts.

III. Accountability

Accountability is fundamental to the internal controls that underlie the Online Payroll/ Personnel system. It depends on individual accountability and post-audit review for quality control, which is the responsibility of Administrative Officials.

Administrative Officials are accountable for:

- Compliance with applicable laws and regulations, University policies, collective bargaining agreements, and terms and conditions of gifts, contracts and grants.
- Sound financial condition and good business practices.
- A system of internal controls that identifies and manages risks.

For further information on UCSF Business Conduct Principles:

http://www.acctg.ucsf.edu/internal_controls/ic/responsibility.htm

General Principles of Accountability

Following are several general principles of accountability:

- Units are responsible for the financial resources within their operations and for the use of them within the bounds of campus policy.
- Individuals who delegate accountability may do so only when permitted by policy, and only to the extent that this same accountability has been delegated to them. Those delegating and are responsible for ensuring the qualifications of the individuals to whom they delegate.
- Accountability structure and delegations must be reviewed to ensure accuracy and currency.

Appropriate internal financial controls must be maintained by accountability structure and delegations. This includes the maintenance of **separation of duties**. Assigning separate individuals to the roles of primary preparer and mandatory reviewer accomplishes the separation of duties.

Individual Accountability – Preparers and Reviewers

Access to the Online Payroll/ Personnel System is granted to Preparers and Reviewers based on their performance of payroll/ personnel related job duties. They are accountable for using the system according to University policies.

Individual accountability is summarized below:

- A logon ID is considered **equivalent to a signature** and an employee is accountable for all entries made under that logon ID.
- Updates to the system are made in a manner that is consistent with the University policies and procedures that govern the particular action to be updated.
- All actions have been approved and authorized **prior** to entry/ update.
- Computing resources are to be used only for legitimate University business that an employee has been explicitly authorized to perform as stated in their job description.
- It is against University policy to peruse or use University records including, but not limited to, confidential information for personal interest or advantage.
- Proper **password security** is to be maintained by not revealing passwords.
- Proper **physical security** is to be maintained by not leaving a workstation/ terminal unattended while logged into University systems.
- Privacy and confidentiality of all accessible data is to be maintained.
- Before access is granted, you must **acknowledge** that you understand and agree to abide by the above policies.

Policy Compliance

Central administrative offices are responsible for monitoring policy compliance using the following procedure:

- Post transactional audits will be conducted of the actions updated in the Online Payroll/ Personnel System by preparers and reviewed by mandatory reviewers.
- Suspected violations will be investigated.
- Notification will be given to unit managers regarding suspected violations.
- Central office staff members will follow up with unit managers to resolve issues and ensure that appropriate action is taken.
- Appropriate action may include the revocation of logon rights.

Failure to comply with systemwide and UCSF policies, rules, and applicable regulations is a serious breach of responsibility and may result in disciplinary action, up to and including dismissal. Further, any violation of local, state or federal laws may carry the additional consequence of prosecution under the law, where judicial action may result in

specific fines or imprisonment, or both; plus the costs of litigation or the payment of damages or both; or all.

IV. Preparer and Reviewer Guidelines

Access to the Online Payroll/ Personnel System is granted based on the performance of payroll/ personnel related job duties. Departmental Preparers and Reviewers are accountable for using the system according to University policies.

This section is provided to assist you in the selection of preparers and reviewers.

Required Knowledge and Skills

Your Preparers and Reviewers should have the following demonstrated skills:

- Payroll/ Personnel System Inquiry knowledge.
- Privacy and confidentiality awareness
- Payroll/ Personnel policy and procedure knowledge.
- An understanding of the distinction between policy and procedure.
- The ability to choose appropriate personnel actions.
- Knowledge of where to find information and resources.

The Controller's Office requests that you, as a Manager, ask yourself, "Has the employee assigned to Payroll/ Personnel online update and reviewer responsibilities demonstrated the required skills and knowledge, as previously stated, in the performance of their duties? Are they prepared to attend the required training to acquire the necessary skills?" We believe that you are well positioned to assess your employee's abilities, skills, and knowledge with respect to Payroll/ Personnel online readiness.

NOTE: As you can see from a review of the above list, many of the chosen skills are abstract and not easily measured. Nevertheless, we believe that successful use of the Online Payroll/ Personnel System requires that employees demonstrate that they possess the skills listed. The design of the system (i.e., distributed system with post-authorization notification) gives Payroll/ Personnel preparers the use of a very powerful tool when used knowledgeably and appropriately.

V. Organizational Roles and Responsibilities

The following roles comprise the required accountability structure: administrative officials; department/ unit head; primary preparer; mandatory reviewer; back-up preparer; back-up mandatory reviewer.

The responsibilities associated with each role are outlined below:

Department / Unit Head / Administrative Official

- Review and approve the accountability structure to ensure that it follows accepted accountability principles.
- Evaluate and approve back-up plans including the assignment of back-up personnel.
- Monitor the effectiveness of the accountability delegations to ensure that any significant instance of non-compliance with policies and guidelines is uncovered.
- Ensure that a pre-approval process is in place and maintained and reviewed periodically.
- Make certain that appropriately skilled and knowledgeable personnel who have participated in the required training are assigned responsibility for Online EDB (Employee Database) Entry/ Update of personnel actions.
- Confirm that appropriately skilled and knowledgeable personnel who have participated in the required training are assigned responsibility for reviewing payroll/ personnel transactions online.
- Make sure that the staff member preparing payroll/ personnel transactions has a secure working environment.
- **Annual or more frequent reviews of Preparers and Reviewers logon access to the Payroll/Personnel systems.**

Primary Preparer / Back-up Preparer

The primary preparer is responsible for entering data into the Online EDB Entry/ Update System.

The role of the preparer is to:

- Understand the purpose of the transaction.
- Obtain **PRIOR** approval before entering data into the Online Entry/ Update System.

- Understand the basic personnel policy and procedures and other regulatory requirements (i.e. contracts and grants) that govern actions to be updated.
- Keep current with all changes and updates to policy and procedures.
- Ensure appropriate and accurate data is entered into fields on the Online EDB Entry / Update screens.
- Respond to all online edits and error messages.
- Record a complete and appropriate explanation of the transaction on the comments screen.
- Use the system in a manner consistent with systemwide and UCSF policies and procedures.
- Make arrangements with **back-up preparer** for absences. The back-up preparer is at a level equivalent to the primary preparer, fulfilling the same responsibilities and maintaining current knowledge of personnel policy and procedures.
- Ensure that the back-up preparer is responsible for changing the primary preparer's record when necessary since individuals may not change their own records.

Mandatory Reviewer / Back-up Mandatory reviewer

The mandatory reviewer is responsible for four functions:

1. As secondary check for accuracy and correctness,
2. University policy compliance,
3. As check for appropriateness of the transaction,
4. As check for entries that could result in fraudulent payments and loss of University funds.

The role of the mandatory reviewer is to:

- Review and audit all transactions **daily**. Transactions must be reviewed and audited no later than 2 business days after receipt.
- Ensure that each transaction has been approved and authorized.
- Review each transaction to ensure that the preparer has accurately and appropriately completed all updated data.
- Assess each transaction for compliance with policy and procedures and other regulatory requirements (i.e. contracts and grants).

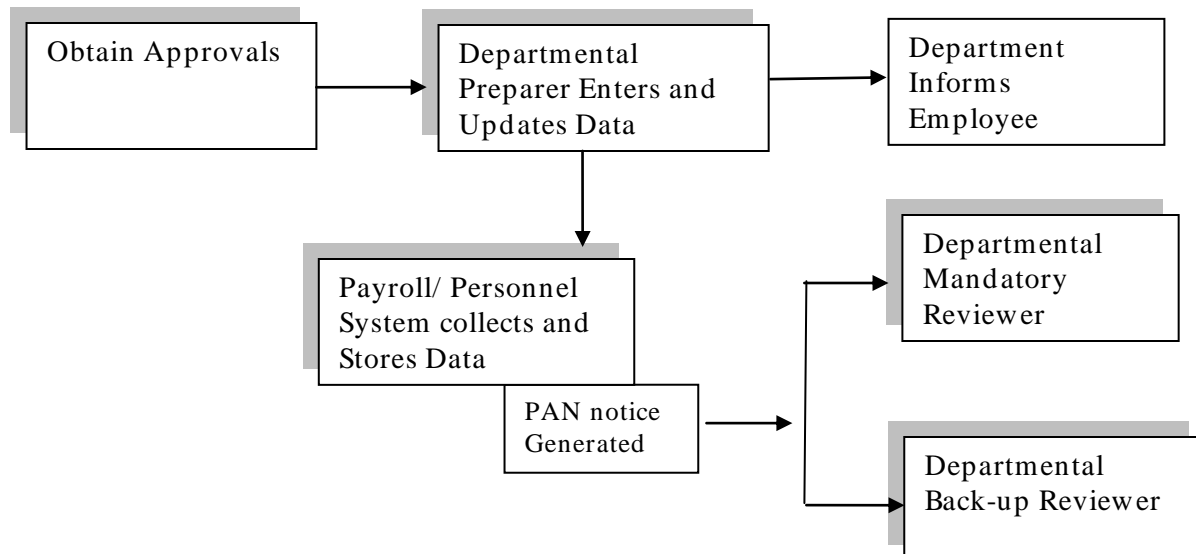
- Resolve any questions regarding transactions immediately by contacting the preparer or referring to policy and/ or other regulatory information.
- Make arrangements with **back-up mandatory reviewer** for absences. The back-up mandatory reviewer is at a level equivalent to the mandatory reviewer, fulfilling the same responsibilities and maintaining current knowledge of personnel policy and procedures.

VI. Workflow Process

The PPS system is based on the concept of Post Authorization Notification (PAN).

Workflow for PPS Online Update includes:

- Preparer immediately being informed of the need for a payroll/ personnel action.
- Obtaining approval(s) and authorization(s) for the requested personnel action (all transactions must have pre-approval).
- Preparer entering/ updating data into PPS database.
- Mandatory Reviewer auditing and reviewing data.
- Informing affected employees of personnel changes to their payroll/ personnel records.



VII. Controller's Office Support

The Controller's Offices will:

- be responsible for providing departments with training.
- update and maintain the system user guides and web-based manuals, as required.
- communicate changes in policies and procedures that affect the processing and/ or workflow into the Payroll/ Personnel Online Update System.
- be responsible for implementation of changes and/ or enhancements to the system.